

Exhibit No. 4  
Date 2-8-07  
Bill No. SB 405Senate Bill 405  
February 8, 2007  
Presented by M. Jeff Hagener  
Senate Finance and Claims Committee

Madam Chair and committee members, for the record I am Jeff Hagener, Director of Montana Department of Fish, Wildlife & Parks (FWP).

This legislation requires FWP to provide several reports of expenditures in relation to our goals and objectives, future costs and funding on land transactions, and the status of long-range building capital appropriation authority. It also establishes a cap on our general license fund balance. FWP agrees it is important to be accountable to our constituents, but we have a number of concerns about the bill's current language.

Of most concern to FWP is the cap on the general license fund balance. Last session, the legislature approved fee increases on hunters' and anglers' licenses with the intent that these fees sustain the agency until the 2011 session. This funding model establishes a large fund balance initially which is spent down over the next several years. FWP is currently managing the fund balance to approach the proposed cap, but with the existing funding model, and projected revenue and expenditures we will not reach this goal until sometime after FY2010. Changes in revenue or expenditures may shorten, or lengthen the time when the fund balance would reach the level set in SB 405.

The current language is effective upon passage and does not indicate what will happen if this cap is not immediately met. When statute is silent, the general fund will receive the excess balance from the general license account. The transfer of general license dollars to the general fund will not only deplete the fund balance but it will create a diversion of license money and, consequently, FWP will not be eligible to receive over \$13 million of federal Wallop/Breaux and Pittman/Robertson annual funding. The loss of federal funding will create a huge shortfall in important agency programs that the general license account balance cannot sustain. The legislature will be in a position of making significant budget decisions about agency programs including alternative funding options or program reductions.

FWP believes we are accountable to our constituents. Many of the reporting requirements identified in this bill are already in place and available upon request. We can accomplish the intent of this bill without this legislation and without creating an insurmountable budget shortfall for the agency.

For these reasons, we do not believe it is necessary or advisable to adopt SB 405.